

**City of Bekasi**  
**International Resource Cities Diagnostic**  
**April 4, 2001**



Submitted by:  
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USAID Cooperative Agreement

# CITY OF BEKASI

## *International Resource Cities Diagnostic*

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### **Summary**

According to Government Regulation No.47/1997 on the National Layout Plan, the City of Bekasi is designated to be a center of trade and services. The area of the city covers over 52,600 acres of which 51% is developed.

Based on census year 2000, Bekasi has over 1.5 million people with population growth around 5.2% per year. It is located about 30 minutes from the Indonesian Capital City of Jakarta.

Under the Law No.22/1999 on Regional Autonomy, the City of Bekasi is now has authority to manage and take care of its internal affairs in line with its capacity and resources. There are still many questions however, about how Regional Autonomy will be implemented in Bekasi. Local government authorities in particular are concerned about their lack of understanding of the various policies and laws being issued. At the same time, the on-going development in Bekasi continues to cause problems such as an overburdened transportation network, which can barely accommodate everyday flows.

The other issues the City of Bekasi is interested in addressing are solid waste management and human resources development to respond the autonomy implementation.

# THE RESOURCE CITIES PROJECT

On March 7, 2001 *Kota Bekasi* (city of Bekasi) signed a Memorandum of Understanding indicating their interest in participating in the Building Institutions for Good Governance (BIGG) Program of ICMA-USAID in Indonesia. Specifically, they agreed to participate in the International Resource Cities Program (IRCP) component of BIGG. Given this commitment, a municipal diagnostic was required to:

- Define the conditions of the city that will influence the effectiveness of the exchange.
- Provide a profile of the city that can be used to select the most appropriate US city as a partner of the program.
- Identify the appropriate type of technical assistance or resources that should be exchanged in the partnership.
- Establish a framework for the partner's technical exchange work plan.

On April 4, 2001, *Deborah Kimble*, Senior Municipal Governance Advisor and *Tristanti Mitayani*, Partnership Manager for the IRCP of BIGG met with members of the executive and administrative staff of Bekasi. They also met the Mayor of Bekasi, H. Nonon Sonthanie, and the administrative staff on April 6, 2001 to shape up all the problems raised from the diagnostic meeting before. *Endi Rukmo*, ICMA Chief of Party for The Successful Local Government Support and Partnership Program of BIGG, *Amanda Lonsdale*, Program Manager, and *Tristanti Mitayani*, were there to discuss the main issues taken from the Mayors perspectives.

This report provides an overview of the meetings and findings of the diagnostic trip as well as an analysis of the findings as they relate to meeting the current main objectives of Bekasi — human resources development and traffic management. Further, the diagnostic report offers a list of potential technical approaches that the partners may want to pursue. The report is divided in to four sections:

1. Background on the process;
2. Summary of the meetings conducted;
3. Description of the context that guided the analysis of the findings; and
4. Recommendations on scope of technical exchange for the partnership.

## 1. Background on the Diagnostic Process

The City of Bekasi is a large city located in the fringe area of DKI Jakarta, the capital city of Indonesia. As a result of being a satellite town of Jakarta, many problems concerning the interaction of the two cities have always been important issues to the City.

The general review meeting held on Wednesday, April 4, 2001 focused on the overarching issues that might be addressed through the Resource Cities Partnership Program.

The common problems of autonomy implementation – resource sharing, human resource capacity, merging the routine and development budgets, and financing of infrastructure, to name just a few – were submitted as the critical areas of concern for the City. Participants in the meeting indicated that the City of Bekasi faced the specific challenges of improving the so-called 'urban problems'. In particular, staff identified the following as areas for immediate action:

### General problems

## 1. Personnel

With the introduction of decentralization, civil service employees from 9 national departments were transferred to Bekasi's payrolls. Clearly this places an enormous burden on the city.

Furthermore, Bekasi is facing many of areas/neighborhoods in Bekasi are being upgraded from the lowest level of government (desa) to the sub-district (kelurahan) level, which places a great strain on the staff as the demand for services is increasing.

## 2. Logistics

- National and provincial assets (properties) that are located in the City of Bekasi, have not yet been transferred to the City government. One direct effect is that the City is unable to provide sufficient workspace for its staff.
- The City of Bekasi also has difficulty in providing enough vehicles to serve the community in areas such as solid waste management, fire department, ambulance, cranes, etc.

## 3. Finance

- Bekasi is still waiting for the formulation of Value Added Tax on Luxury Items and Tax on Legal Institutions
- Environmental management is under the responsibility of local government of Bekasi although industrial waste comes from all industries activities located in the county (outside of the City).
- Regional revenue is still dependent on the forthcoming amendment of Laws No.18/1997 on Taxes and Retribution, because the local government is still limited on the authority to levy its own taxes.

## 4. Geographic Conditions

- Transportation is a big problem due to Bekasi's proximity to Jakarta and the fact that it is in part a bedroom community for the capital city. Traffic jams are a daily fact of life.
- The canals and sewerage system that are heading to the north intersect with canals heading west as well as the railway.
- Heavy rainfall paired with poor drainage results in severe damage to streets and roadways.
- There are insufficient sources from which to provide drinking water for all residents.
- Solid waste management services are insufficient.
- Urban in-migration of unskilled labor has led to an increase in slum neighborhoods in Bekasi.
- The impact of having the slum area and informal sector has generated to the informal traders around the streets.

## Specific Problems

1. Bekasi is concerned about the relations between the Provinces and the Cities and Counties. Theoretically, all the institutions don't have any structural relations (being higher/lower level), but they still have to find a way to coexist.
2. Bekasi needs clarification on all laws concerning to the Government Regulations on Municipal Authorities on Personnel Management. These policies are still set by the

central government. This is particularly pertinent to the issue of absorbing the large number of civil servants from the National Government.

## **2. Analysis of the Findings**

The City of Bekasi is quite a big city in West Java and it is located just at the east part of Jakarta and surrounded by the County of Bekasi. The City of Bekasi has only a few natural resources, but given its proximity to Jakarta, the city is heavily dependent on the service sectors. The City has many educated people that make their awareness of local government activities higher compared to other cities.

Persons who attended the meetings were identified with their positions:

- Reny Hendrawati – Head of Research and Training of Planning Agency
- Djoko – from NGO (representing the active participation of the community)
- M. Toto Ruchimat – Director of Finance
- Sunandar – NGO
- Momon – Head Division of Social Welfare
- Ir. Syafri – Head of Physical Development of Planning Agency
- Dr. Benoni – Secretary of Planning Agency
- Tata – Statistical and Research Division from Planning Agency
- Aos Kaosar – Head of Legal Division
- Tedi – Cooperation with Institutions
- Ir. Saur Tampubolon – Head of Economy Division
- Dra. Dewi – Staf of Social and Culture Division of Planning Agency
- Drs. Yusuf – Staf of Social and Culture Division of Planning Agency

Several problems/issues were raised at the meeting:

- Financial management for the city should be changed from the single-entry budget to the double-entry budget system
- Relations between local council and local government
- To acknowledge and respect the stakeholders from the City so they could be involved in the development process
- Capacity building for local government
- Programmer support
- How to obtain and manage loans from international organizations
- Management of assets
- Management of actual accounting
- Traffic management
- General education for the people
- Solid waste management
- Human resources development (both for the community and the local government employees)

## **3. Interview Findings**

For purposes of analysis, ICMA/USAID developed a four-point structure by which to determine the most useful technical information for each of the local government units in Indonesia as they implement Laws 22 and 25/1999. The four points are:

### ***1. Organizational Capacity***

As noted before, the skill level of the staff is considerably higher than in other local governments, even in West Java. This may be attributable to the presence of strong relation between the city and Jakarta.

In regard to the transportation problem and other city services, the Planning Agency still has substantial influence in determining the course of development in the City. But generally, the decisions are all in the Mayor's authorities.

## **2. *Transparent budget and financial systems and practices***

The primary interest of the City's finance staff is how to know and learn faster in using double-entry system of budgeting, as it is required for the future budget evaluation and reporting. Also, the local council members should understand and know how to use the system.

## **3. *Efficient deliver of services***

The delivery of local government services is tied to the ability to cost out services. As this will be addressed through the budget and finance training, the partnership would need to address administrative procedures, which accomplish the following:

- Transportation management
- Solid waste management

## **4. *Effective citizen participation***

Members of the staff mentioned the aspect of citizen involvement in decision-making as the community become more aware of their rights and obligations to the city development. It will be important to develop systems to facilitate the participations of citizens and NGOs in the local government process.

## **4. *Recommended Approaches for IRCP for the City of Bekasi***

Each of the desired outcomes, as articulated in the general staff meeting, could be addressed in the partnership. They are all interrelated and thus, it may be possible to develop certain capacities in one area that are transferable to the others. For example, practices developed in the areas of transportation and environmental management could be transferred to mitigating pollution problems caused by industries and solid waste management.

Ideally, it would be useful if the City of Bekasi could be partnered with a region in the US that has experience to be a satellite town that is heavily influenced by the primate city (metropolitan city) as big as Jakarta. It is not necessary to be the capital of the country, but problems and issues such as transportation, pollution control, waste management and other issues related to regional autonomy should be comparable.